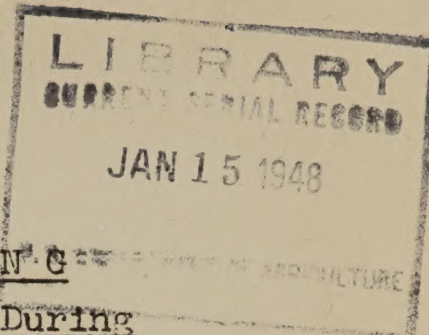


UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
INFORMATION SERVICE
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AGRICULTURAL MARKETING

(Script No. 9.....For Use During
The Period Oct. 13--25, 1947)

PART I:-----FEED CONSERVATION DRIVE (PP1-7)

PART II:-----FUTURES TRADING AND AGRICULTURAL MARKETS (PP7-12)

PART I ----- FEED CONSERVATION DRIVE (7½ minutes)

ANN: The marketing of America's food is of direct concern to everyone -- farmer, distributor, and consumer. Today Station _____ presents another in a series of broadcasts designed to tell farm and city people more about the latest developments in the field of agricultural marketing... Conservation is the keynote today in any discussion of food. In many other parts of the world hunger is threatening to destroy the peace we fought so hard to win, and here at home we are faced with high food prices. To meet these twin problems we Americans have been challenged to voluntarily stretch our food resources to help meet the demands both from abroad and here at home..... With us in our studio today is _____, of the _____ office of the Production and Marketing Administration.... _____, I'm going to ask you to tell our radio audience about the way farmers in this part of the country can play a role in our food conservation efforts.

PMA: I'll be glad to, _____. As you've just pointed out, the program which has been given us by our President and by the Citizen's Food Committee calls for a voluntary saving of food saving every day in every way. To make this
(More)

THE SECRETARY OF THE
TREASURY AND COMMISSIONER OF
INTERNAL REVENUE
WASHINGTON, D. C.
JAN 10 1914

ASSISTANT SECRETARY

Office of the Assistant Secretary
Internal Revenue Service

RECEIVED JAN 10 1914

TO THE ASSISTANT SECRETARY

FROM THE CHIEF OF BUREAU

SUBJECT: [Illegible]

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program work will require the wholehearted cooperation of everyone.

ANN: As I understand the situation, grain is probably the key to the whole problem. Every phase of this campaign seems to be directed toward the saving of cereal foods.

PMA: That's right, _____. Grain is the easiest and most economical food to ship abroad to hungry people. By conserving our supplies of meat, eggs, and poultry, we not only help to hold prices of these items down at home but we will be able to ship abroad large quantities of grain that would otherwise have gone to feed these livestock. And here is where farmers in this section and all over the country can make their greatest contribution to this conservation drive. That's why Secretary of Agriculture Anderson launched a feed conservation drive as one of the first steps in the overall campaign.

ANN: I recall the Secretary said that for every reduction of one pound in the average weight of hogs marketed in this country we would save something like seven million bushels of grain.

PMA: That's only one illustration of the way a little conservation on the farm can go a long way toward putting food in a great many human stomachs. On the farm, the whole problem boils down to one of more efficient feeding methods. I think that about 71 percent of all the grain produced in this country is fed to livestock. Just think how even a little saving in this total volume through more efficient feeding can help make more grain available for export.

ANN: That's important enough in itself to make every farmer use his feed grain supplies wisely. But don't forget also that every bushel of wheat or corn or rye which isn't fed to cattle or poultry means money saved for the farmer.

PMA: Farmers around here are becoming increasingly aware of that, _____. Feed supplies are short and prices are high. So, by making every bit of grain go just a little farther than ordinarily, and by feeding more roughage farmers can lower their costs of production and pocket the savings.

ANN: The roughage situation seems to be the brightest spot in the whole feed picture, _____. I understand that we've got more hay per animal than ever before.

PMA: Which is one reason why feed conservation on the farm can be easier than many farmers think. Hay, of course, is the primary roughage but cull and low-quality potatoes when they are available is also a good feed for dairy cattle.

ANN: Feeding more of our abundant supplies of roughage, of course, is an important way that farmers can conserve feed grains. But I'm sure that there are many other tricks in efficient feeding which can help too. So suppose we run down the list of feed-using products and pass along some tips to our listeners, _____. Let's start with hogs.

PMA: Good idea, _____. You've already pointed out that for every pound cut off the average weight of all hogs marketed, we could save seven million bushels of high-priced grain.

(More)

the first thing I noticed when I stepped out of the car was the cold. It was a sharp contrast to the warm blanket of the car. I shivered slightly, but then I remembered that this was just the beginning of the journey. I took a deep breath and stepped forward, feeling the rough pavement under my feet. The air was crisp and clean, a welcome change from the stale air of the car. I walked towards the building, my steps echoing on the empty street. The sun was low in the sky, casting long shadows and a golden glow over the scene. I felt a sense of purpose and adventure, knowing that this was my chance to make a difference.

I walked through the halls of the building, my footsteps echoing on the polished floor. The walls were a deep red, and the ceiling was a high, vaulted arch. The air was warm and smelled of old books and wood. I stopped at a large desk, where a man in a white coat and a stethoscope around his neck was waiting. He looked at me with a friendly smile and gestured for me to follow him. We walked down a long corridor, the walls lined with bookshelves filled with books of various sizes. The floor was made of dark wood, and the lighting was soft and warm. I felt a sense of calm and security, knowing that I was in a place where I could learn and grow. The man led me to a small room with a desk and a chair. He sat down and looked at some papers, then he looked up at me and spoke.

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That means that if we could hold hog marketing weights at at the pre-war level -- which was, I believe, about 237 pounds --- there would be about 140 million bushels of grain to send to hungry peoples in other countries.

ANN: But at the same time, I don't think feeders should keep large quantities of soft corn in reserve for too long a time.

PMA: No, that's important. If corn is soft it spoils easily, so any quantity of this type of feed should be used before the warm weather sets in next spring. Either that or dry it. Otherwise we'll be wasting a lot of valuable grain.

ANN: I imagine that much of what you've just said applies to beef and dairy cattle too.

PMA: Yes it does. One of the best ways that cattle raisers can help out is to feed fewer beef animals above the grade of good. Millions of bushels are used annually to get beef up to prime and choice grades.

ANN: A lot of that extra fat is trimmed off the meat before it is eaten so that means a waste of a lot of valuable grain.

PMA: In a season like this when grass has been especially plentiful, a lot more cattle than usual can be marketed as good slaughter flesh with little or no grain feeding. As part of the same program, cattle raisers are being asked to make maximum use of pastures without overgrazing them, to feed as little grain as possible for maintenance

(More)

this winter and to carry some cattle on a maintenance of roughage for a few months before grain feeding is started.

ANN: I guess that the pitch on dairy cattle now is to feed roughage to the limit.

PMA: The more roughage the better. Dairy cattle can be fed heavily that way without serious effects on total milk production. Go heavy on legume hays such as alfalfa and clover..... And here's another way that dairy farmers can make an important contribution to the feed conservation drive.....cut down sharply on the amount of grain feeding to dry cows. If the cow is healthy and the available legume hay is of good quality a lot of grain can be saved during the cow's dry period. And again it's important to keep dairy cattle on grass pasture or stalk fields as long as possible.

ANN: Well that about covers the way feed can be saved in producing red meat and dairy products. Now what about poultry? I heard one authority in the poultry business say recently that in order to produce the 54 billion eggs that we'll probably get this year, about 14 million tons of feedstuffs will have been fed to about a third of a billion laying birds.... Back in 1936, though, we would have had to feed almost 16 and a half million tons of feed to almost half a billion layers in order to get that number of eggs. Seems to me that we've already made some advances in efficient poultry feeding.

PMA: That's right, _____, and it just goes to prove what a big difference efficient feeding can make when it's combined with better poultry breeding and flock management. But there's still a lot of things that poultry farmers can do to cut down on their use of feed.

ANN: Well, if farmers follow the goals which the Department of Agriculture recently announced we'll have about four percent fewer layers on farms come the first of the year.

PMA: Yes, and even with that reduction we'll still be able to get an average of 375 eggs per person next year.

ANN: That's about what we'll get this year, I understand. But there must be other ways that poultry raisers can conserve on feed grains.

PMA: One excellent way is to use more green feeds. Put alfalfa hay in a rack in the poultry house and put the birds on range whenever possible. Good range will save a lot of grain next summer.

ANN: And don't forget to remind farmers not to over-fill the hoppers.

PMA: That's right -- fill them more frequently and avoid waste. One other important point: Keep egg quality up. Eggs that are broken or spoil on their way to the dinner table mean wasted feed....And, of course, consumers too, can help the feed conservation effort by eating less of foods like meat, poultry, and eggs that use large amounts of feed in their production.

ANN: Well I'm sure that our listeners will find your suggestions very helpful, and I know that there will be wholehearted cooperation in the feed conservation campaign from every farmer in the _____ area.....

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.(USE FOLLOWING CLOSE IF PART I IS USED AS A SEPARATE
SCRIPT)
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. ANN: But it seems our time is about up. .
. Thank you _____, of the Production and .
. Marketing Administration for information on how. .
. farmers in this section can help in the feed .
. conservation drive..... Friends, you have been. .
. listening to another in a series of broadcasts .
. on agricultural marketing brought to you by .
. Station _____ with the cooperation of the .
. United States Department of Agriculture. .
.....

PART II ----- FUTURES TRADING AND AGRICULTURAL MARKETS (7½ minutes)

.....
.(USE FOLLOWING INTRODUCTION IF PART II IS USED AS A
SEPARATE SCRIPT)
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. ANN: The marketing of America's food is of direct .
. concern to everyone--farmer, distributor, and .
. consumer. Today Station _____ presents .
. another in a series of broadcasts designed to .
. tell farm and city people more about the latest. .
. developments in the field of agricultural .
. marketing..... With us in the studio today is .
. _____, of the Production and Marketing .
. Administration.....
.....

ANN: The recent action of the nation's major grain exchanges in raising margin requirements following requests by President Truman and other government officials has focused public attention on the activities of our commodity exchanges. I think, _____ that many of our listeners would like to know more about what part these exchanges play in the marketing of our farm products.

PMA: That's a good question for us to discuss because I know that many people haven't a very clear idea about the role of these exchanges in our food distribution machinery. Incidentally, this is a particularly appropriate time to talk about futures trading in agricultural products.

ANN: You mean because of all the recent talk about speculation in grain futures?

PMA: Not only that. You see last month our commodity exchanges observed a silver anniversary.

ANN: Oh. Is that how long they've been in existence?

PMA: No, commodity exchanges and futures trading have been with us a great deal longer than twenty-five years. But it was just 25 years ago on September 21, that Congress passed the first law regulating commodity exchanges.

ANN: Oh yes. I recall now. That law was known as the Grain Futures Act.

PMA: That's what it was called when it became effective back in 1922. Now we know it as the Commodity Exchange Act. As you can probably guess from the modern title this law covers trading in a lot of farm products besides grain.

ANN: I know that trading in grain and cotton are regulated by the Federal government. What other commodities come under this law?

PMA: Oh, I haven't got time here to run through the entire list. The number of farm products that are traded for future delivery more than doubled just during the period between the two world wars. At the present time Federal regulation extends to futures transactions on such things as oilseeds, potatoes, wool tops, butter, eggs, as well as many food and feed grains and cotton.

ANN: That's quite an impressive list. Still, most people think first about grain and cotton when they think of futures trading. And very often they think about things like the notorious Hutchinson wheat corner about 60 years ago.

PMA: That was quite an unpleasant affair, but the situation has improved a lot since "Old Hutch" cornered the Chicago wheat market back in 1888 and booted prices around to the tune of a dollar a bushel in a few days.

ANN: I guess it's pretty hard now for one man to dominate farm futures trading as he might have done in those days.

PMA: Yes, attempts to corner the market have become less and less profitable during our generation and we've been able to curb large-scale price manipulation pretty effectively. Oh, there are still some abuses on the exchanges today but, as J. M. Mehl, the administrator of the Commodity Exchange Authority, pointed out recently, exchange standards have been raised and trading practices improved to an extent which we would hardly have foreseen 25 years ago.

ANN: Is that entirely due to Government regulation?

PMA: No, I wouldn't say that. The people who run the exchanges themselves have done a great deal to improve the situation. That, together with the protective rules laid down by the Government has done a great deal to create public confidence in the activities of the exchanges.

ANN: Well, let's get back now to the role that these exchanges play in our marketing picture. I know that many people still have the mistaken idea that the commodity exchanges are just a place where big speculators can make or lose a lot of money in a short time.

PMA: It's hardly as simple as all that. Basically, the commodity exchanges are the same as any other market place. It's a place where a person who has something to sell can meet someone who wants to buy his product. Trading like that has to go on under our free enterprise system whether we have exchanges or not.

ANN: But these exchanges merely provide a central place where customers can meet sellers.

PMA: That's right. Let's take as an example a farmer who in June has some wheat in the ground which will be mature in September. So he goes into the market place --- the grain exchange --- and finds someone who wants to contract for this September wheat. The value of the exchange is that it allows all such transactions to be made in a central place and under standard trading rules. That gives both buyers and sellers the advantage of being able to observe the market at first hand. All the information about the possible future value of the product being traded --- and the way this value may be affected by weather conditions, world trade and other factors is on hand to help everyone concerned make a better bargain. It enables farmers and others to sell their products on future contract as a hedge. That in turn makes it easier for producers to get loans from banks because the bankers can judge collateral values accurately through open market prices.

ANN: As we have already seen, though, this system of trading has allowed dangerous speculation and many other abuses.

PMA: That's true. And as public opinion has rebelled against these abuses the law has been steadily strengthened. As one of its first achievements the old Grain Futures Act required that all the information about volume of trading and open-contract figures be made public. And the law has been made progressively stronger as public opinion demanded. Today we have fixed limits on the amount of speculation that large traders may indulge in and customers of brokerage houses are protected against misuse of their funds in trading.

ANN: We occasionally read in the papers about people who have been penalized for things like price manipulation and attempts at cornering the market. But I discovered to my surprise recently that things like how much margin must be carried and how far prices may rise or fall in any one day aren't regulated by the Federal Government.

PMA: No, that's one of the fields that has been left to the exchanges themselves. That's why it's so important that the exchanges themselves take the initiative in curbing the abuses that still crop up in trading.

ANN: That's certainly pointed up by the fact that our food price structure today has such an important bearing on how well and how quickly we will be able to provide food for the hungry in other countries --- and how well we eat ourselves for that matter.

PMA: Certainly. I think, though, that most economists will agree that while futures trading has its imperfections it has come nearer to providing public participation and democracy in price making than any other system.

ANN: ...Which makes it all the more important that our exchanges maintain the high trading standards that the public has come to expect...I think you've given us an excellent picture of this whole matter of futures trading, _____.

Thanks for being with us today on another broadcast in our series on agricultural marketing.Friends, our guest today was _____ of the Production and Marketing Administration. This has been a public service presentation of Station _____, with the cooperation of the United States Department of Agriculture.

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